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# Latin America Report

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## LATIN AMERICA REPORT

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## FIDEL'S SON CHAIRS NONALIGNED NUCLEAR ENERGY MEETING

Havana BOHEMIA in Spanish No 16, 27 Apr 83 p 59

[Article by Alberto Pozo]

[Text] The final report presented by Dr Fidel Castro Diaz-Balart, chairman of the Second Meeting of the Nonaligned Countries Movement's Coordinating Countries for the Peaceful Use of Nuclear Energy, was approved unanimously and without changes following 3 days of intensive debates and after consultation with all the delegations. The meeting was held in this capital from 12 to 14 April.

The event was marked by the great spirit of cooperation, unity of viewpoints and cohesiveness that prevailed among the delegations that attended this second meeting.

Making the closing remarks, Dr Fidel Castro Diaz-Balart recalled the characteristics of the world today, where countries of the undeveloped world are indebted by more than \$650 billion, 800 million people are illiterate and 12 million children--95 percent of them born in that underdeveloped world--die annually.

He contrasted the situation of dramatic impoverishment of the underdeveloped world with the arms race and the irresponsible and excessive squandering involved in that race, adding that while some squander, others live in poverty.

Understanding and the effort of everyone to cooperate and fight foolishness, waste and, above all, the threat of extermination that hangs over all mankind like a Damocles' sword, he continued, is the world of the future.

Concluding, he said: "Distinguished delegates, let us work so that in the future nuclear energy ceases to be a symbol of threat, blackmail and potential peril and becomes a factor of development, prosperity and well-being of our peoples and of all mankind."

Lastly, Fidel Castro Diaz-Balart thanked the delegates and all who contributed and worked hard for the success of the meeting.

As Dr Fidel Castro Diaz-Balart finished his remarks, the delegates spontaneously stood up and applauded the chairman. This was not part of protocol, but it revealed the spirit of optimism among all the delegations.

With this meeting, the movement has reaffirmed its aspiration that the UN Conference for the Promotion of Cooperation for the Peaceful Use of Nuclear Energy is held at the proper time and when conditions have been created to guarantee its success.

For his part, India's Ambassador to Cuba, V. Khana underscored the good impression which all the delegations had had of the facilities offered and of the good organization of the meeting.

The final report includes 13 proposals to expand nonaligned countries' cooperation in that field. To these are added 11 references concerning nuclear energy and the nonaligned countries. The Ad Hoc Committee's term was extended until the Third Coordinating Countries Meeting is held.

Iraq and Iran offered to host the third meeting, and the chair made note of it.

The Israeli attack, with the complicity of U.S. imperialism, on a nuclear plant under construction in Iraq in 1981 also was condemned at the second meeting.

The Iraqi delegate and others who made denunciations welcomed the approved point on the agenda referring to "other aspects that affect international cooperation in this field."

S.K. Singh opened the second meeting in behalf of the movement's chairman, Her Excellency Indira Gandhi. He emphasized that the path to be followed in coming years in the field of peaceful use of nuclear energy would be defined at the meeting. He hailed the fact that "we have returned to the generous previous host, Havana," which means continuity of this work "of which we are proud."

The next speaker was Jose R. Fernandez, vice president of the Council of Ministers and president of the Cuban Atomic Energy Commission.

"The material and human resources we have," he said in his speech, "make it possible that cooperation among our nations, properly channeled and defined, can be turned into a powerful and dynamic factor to help our autonomous and total development. That cooperation can be a positive element to develop productive, technological and commercial relations adapted to our situations and levels of development, based on recognizing the heterogeneity of our countries so as to preclude that some receive more benefits than others. Therefore, it is indispensable to start creating specific relations of cooperation wherever possible."

Concluding, he emphasized: "We are certain that we will think and act as members of a movement of countries that represents an instrument of peace, of national liberation and of economic development, and that we will work untiringly to achieve a solid and coherent cooperation among our countries."



"The current times in which we have to live require great actions and those of us convened on this occasion shall be equal to the duty and mission which history is entrusting to us."

Singh, who is India's ambassador to the UN International Atomic Energy Agency, then proposed to the plenum that "Dr Fidel Castro Diaz-Balart, who is an eminent scientist," be elected by acclamation as chairman of the second meeting, which was accepted immediately.

Dr. Fidel Castro Diaz-Balart, executive secretary of the Cuban Atomic Energy Commission and of our country's Executive Secretariat for Nuclear Affairs and head of our delegation to the meeting, spoke briefly to express gratitude for the appointment.

Others at the presiding table for the inaugural session included Foreign Minister Isidoro Malmierca, Cuban Academy of Sciences President Dr Wilfredo Torras, Ministers Joaquin Benavides, Jorge Fernandez Cuervo and Manuel Vila Sosa; and Vice Minister Manuel Aguilera, member of the Atomic Energy Commission.



Dr Fidel Castro Diaz-Balart expresses gratitude for his appointment as chairman of the Second Meeting of the Nonaligned Countries Movement's Coordinating Countries for the Peaceful Use of Nuclear Energy. Next to him are Jose R. Fernandez, president of the Cuban Atomic Energy Commission, and S.K. Singh, representing the chairman of the movement, Her Excellency Indira Gandhi.

9925

CSO: 3248/809



## ARGENTINE POLITICIANS SEEK NON-AGGRESSION PACT WITH CHILE

Buenos Aires LA PRENSA in Spanish 20 May 83 pp 1, 4

[Article by J. Iglesias Rouco]

[Text] There is still a possibility of avoiding an escalation of tensions between Argentina and Chile over the Beagle affair and, at the same time, extending over several years the Rome negotiations--in the context of the papal mediation--without the need for Buenos Aires to make any statement at present about the "proposal" of 12 December 1980. According to our sources, some local politicians are negotiating with the military regime, or are willing to do so soon, for the revival of a plan drawn up last year by the Vatican by which both nations could sign a virtually "perpetual" non-aggression or peace treaty which would bind them to resolving peacefully the Beagle dispute and other border problems.

Rejected by Former Junta

According to our information, this plan had been presented by the Vatican to the former military junta, but the junta rejected it, although it is not known exactly why. Apparently Galtieri and his colleagues in the junta believed that a favorable solution of the Malvinas crisis would permit them to settle the Beagle conflict without further ado and still within the framework of the "proposal." The 14 June defeat and the upheavals it caused within the armed forces "froze" the planned "peace" agreement. However, it is believed in some political circles that Rome is willing to revitalize it and has even explored recently the willingness of the Argentine Government to do so. Although we were unable to confirm the story, secret Vatican envoys are said to have held broad talks concerning this possibility with their Argentine counterparts on a recent visit to Buenos Aires. There is no doubt that in view of the military preparations that have been observed for some time in both Chile and Argentina--simple "routine exercises," according to reports, which does not mean that such a "routine" is not very dangerous in the eyes of Rome--the aforementioned treaty would perhaps be a less complicated "way out" for the Argentine Government at this time than acceptance of the "proposal." At this stage there is not much support even among the political parties, in which there are many politicians who favor the "proposal," for the idea of forming a common civilian front to support it. According to our sources, even the MID [Integration and Development Movement] has withdrawn its claim in that regard in order to avoid

new and deeper splits in the political pentagon. This does not mean, however, that everyone has stopped discussing the matter. As we already mentioned, neither here nor in Rome, nor in the government itself, is anyone unaware that during the last few months there has been a multiplication of factors which could unleash a new political and military confrontation between the two countries, or even an armed conflict.

As for the Vatican, it appears logical to think that a peace treaty between Argentina and Chile would eliminate the threat of war from the immediate horizon and thus reasonably preserve its political and diplomatic prestige, an element which, surely, is an essential part of the insistent concern--and even alarm--with which Rome is, for obvious reasons, confronting the matter today. All that is lacking now is to know whether Chile would agree to an arrangement of this nature.

#### Alleged Chilean Military Plans

According to our sources, both the Vatican and Buenos Aires have received very precise reports concerning several studies prepared by the general staff of the Chilean Army in case war should become "inevitable." Apparently Chilean strategists foresee that their forces could, in the course of a week-long "lightning" war, occupy Patagonia as far as Bahia Blanca, including localities north of that region, to the outskirts of Mar del Plata. The Chilean military believes that within 6 or 7 days intervention by the great powers or the United Nations would interrupt the hostilities, and that meanwhile Argentine land forces would not even have reached Santiago and other large Chilean urban centers. Thus it would be Argentine territory which would be most affected by the war and, consequently, also by the "peace" initiatives of the international community. These initiatives might even result in the establishment of contingents of "blue helmets" in the areas "in dispute," which logically would be Argentine. As in the Middle East, this "blitzkrieg" would give way to long and arduous negotiations. But meanwhile, the partition of Argentina's territory would already have been consummated.

It is probable that this plan--an Argentine politician has told us that he even saw a Chilean general staff plan in which the areas of Argentina to be occupied by the Chilean Army are marked, and he assured us that that plan is in the hands of military authorities in Buenos Aires--is similar to only one of the many "routine" theoretical exercises with which nearly all the armies of the East and West--not to mention those of the Third World--keep themselves busy. But the fact that mediation has reached a dead end and the current process of deterioration of both the Pinochet regime and the Argentine "process" are leading some observers to believe that those exercises no longer belong to the realm of simple possibility. As if that were not enough, they also point out three other factors of major interest:

- 1) Great Britain has been supplying large quantities of weapons and instruction to the Chilean Army, and both countries have already established an "intelligence" community in the southern region. Chile, in turn, is supplying fuels and fresh food supplies to the British military base in the Malvinas,

as it also did to the "navy" during the war. Nor can it be discounted that Great Britain may possibly already have naval and air bases in the area of Punta Arenas and other Chilean regions, or that it may have them in the more or less near future.

2) London recently committed itself to give assistance to Chile in the event of an outbreak of war. This support, at first logistical, could lead to a direct intervention by the British, according to the circumstances. London and Santiago would resurrect the appropriate "reciprocal assistance" treaty on the eve of the conflagration, should the present escalation of tensions result in a clash.

3) The influence of military "hawks" has increased considerably this year in both Britain and Argentina. Unofficially, British "intelligence" has circulated through international diplomatic channels the story that the Argentine "hawks" are now harassing the Malvinas with systematic incursions into "their" air space. Such flights could produce an "incident" at any moment, with the resulting British response on the continent. Furthermore, if Argentina and Chile went to war, London, to "justify" its direct intervention, would use the fact that Argentina still maintains its state of hostilities with Great Britain.

#### U.S. Position

Diplomatic sources we consulted strongly emphasized the concern with which the United States is watching the present situation and the outlook for the future as we have described it. In the first place, an Argentine-Chilean military confrontation would destabilize the entire South Cone and furthermore would again place Washington--and to a much greater extent than in 1982--between the rock of London, its ally, and the hard place of its already frail relations with Latin America. It is generally believed that the White House would find itself obliged, as in May 1982, to support the British, although at the extremely serious cost of more of its stature in Central America. This might be precisely one of the goals of the Soviet Union in this part of the world. To that end, the aforementioned sources added, Soviet diplomats could be encouraging Argentine "intransigence" with respect to both the papal "proposal" and the Malvinas. This encouragement would not be channeled directly, but through Soviet sympathizers here and through the incipient but already important network of domestic economic interests the Soviet Union has managed to develop in Argentina in the last few years. Nor has the remarkable increase in the so-called Soviet "intelligence center" in Argentina, said to be of continent-wide proportions--escaped notice in the United States and Europe. That growth may have been given impetus, our sources believe, by the Argentine-Soviet agreements of December 1981 on fishing "research" in the South Atlantic (the corresponding protocol, with an annex, was not made public, but it was approved by law in August of that year), the presence in our waters of other East-bloc fishing craft (the Poles and the Soviets alone maintain a permanent fleet of between 70 and 90 ships along the boundary line of our 200-mile coastal jurisdiction), and more recently the AEROFLOT base established in Buenos Aires, with dozens and even hundreds of new Soviet officials on Argentine soil.

Well, we will not talk today of the associations that are being sought or have already been established with Soviet agencies by important firms such as TECHINT and others under the shelter of this extraordinary rapprochement. Let us just say that this is the new Argentine reality. Those who at all costs and almost with real anxiety are today seeking the way of a peace treaty with Chile, to prevent the catastrophe, then, do not appear to be on the wrong track.

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CSO: 3348/401

INTER-AMERICAN AFFAIRS

ARGENTINE JUNTA MEMBER GRATEFUL FOR ECUADOREAN SUPPORT

PA080027 Quito Voz de los Andes in Spanish 1130 GMT 7 Jun 83

[Text] Admiral Oscar Franco, member of the military junta that rules Argentina, who has been in Ecuador on an official visit since Monday, 6 June, thanked Ecuador for the assistance offered to Argentina during the Malvinas conflict.

[Begin Franco recording] I am carrying a message of appreciation from the Argentine (?nation), from the Argentine people and from the Argentine Government for the support that Ecuador gave us at all times, in all circumstances, and at all international forums. This gratitude from Argentina will be eternal. It could not be otherwise between brothers. [end recording]

Admiral Franco also mentioned the improvement of the Argentine economy, asserting that his country's commercial balance will be positive this year. He denied that in the past few days his country had been on the verge of having an armed confrontation with Chile because of the Beagle Channel issue, and he categorically asserted that there are no tensions with Chile at this moment.

Answering questions from newsmen in Quito regarding disappearances and human rights in Argentina, Admiral Franco said:

[Begin recording] [Franco] My country suffered a terrible aggression, a terrorist aggression, which first was rural and then urban. My country defended itself. It was a war, and in all wars there are dead and missing people. What has happened is this: Those who lost the war through the use of weapons had to flee the country and moved abroad. The propaganda mechanisms were set in motion and they misused the term human rights.

[Unidentified reporter] Is the war over now? Has this war ended already?

[Franco] That war is over. There have been unimportant incidents which we could not describe as new outbreaks. There have been occasional incidents involving the subversives who had been abroad, but we cannot describe these as new subversive outbreaks. However, we must not let our guard down. We are suffering this in our continent. Let's look at what Central America is. Let's look at what is happening in Peru, what happened in Argentina, Chile and Uruguay and other countries of the world. The enemy attacks on all fronts. [end recording]

## INTER-AMERICAN AFFAIRS

### BRIEFS

**ALADI MARKET**--The countries of ALADI have agreed to open their markets broadly to Ecuador. This represents potential sales of more than \$700 million. This decision benefits such articles as various kinds of chemical products, machinery, tools, clothing, furniture, candy, cigarettes, and ceramic articles. As a result, such Ecuadorean products can freely enter Argentina, Brazil, Mexico, Paraguay, Uruguay and Chile. [PA010206 Quito Voz de los Andes in Spanish 1230 GMT 28 May 83 PA]

**ITAIPU TURBINE ROTOR MOUNTED**--Yesterday Hans Krauch and John Cotrim, technical directors of the Itaipu Binational Enterprise, witnessed the mounting of the rotor of the first turbine. This delicate operation, which took 4 hours, was carried out normally. The rotor weighs 1.8 tons and has a diameter of 15.5 meters and a height of 3.5 meters. [Asuncion ABC COLOR in Spanish 26 May 83 p 16 PY]

**ARGENTINE-URUGUAYAN RAILROAD AGREEMENT**--A rail traffic agreement has been signed between the Argentine and Uruguayan state-owned railroad enterprises. This agreement is aimed at expediting the utilization of different transport modes and rolling stock from both enterprises in crossing the Uruguay River at Fray Bentos, Puerto Unzue and between Colon and Paysandu. The signing of the agreement took place during the ongoing meetings of the consultative board of the Latin American Association of Railroads. [Excerpts] [Buenos Aires Domestic Service in Spanish 2000 GMT 24 May 83 PY]

CSO: 3348/419



## BRIEFS

SORGHUM PRODUCTION--Buenos Aires, 24 May (TELAM)--The Agriculture and Livestock Secretariat reported today that 8 billion [as received] tons of sorghum were produced during the 1981-82 harvest. The secretariat added that the 1981-82 production increased 6 percent in comparison to the 1980-81 harvest production. [Excerpt] [Buenos Aires TELAM in Spanish 1820 GMT 24 May 83 PY]

BANK DEBT RESCHEDULED--The bank of the province of Buenos Aires succeeded in restructuring a \$250 million outstanding loan by having the expiration date extended to May 1986. A total of 52 banks are involved in this transaction. [Summary] [Buenos Aires CLARIN in Spanish 25 May 83 p 16 PY]

UCR PROVINCIAL TICKET--Buenos Aires, 24 May (MA)--The National Line faction of the Radical Civic Union [UCR] proclaimed today former national deputy Antonio Troccoli and former Tigre mayor Jose Recio as candidates for governor and vice governor of Buenos Aires Province, respectively. The National Line ticket will compete at the party convention with the ticket of the Movement for Renewal and Change made up of Alejandro Armendariz and Elba Roulet, respectively. [Excerpt] [Buenos Aires NOTICIAS ARGENTINAS in Spanish 2232 GMT 24 May 83 PY]

CSO: 3348/419



## BRIEFS

**MINING PRODUCTION DECLINES**--According to information supplied by the National Statistics Institute, INE, tin, silver, antimony and gold production declined significantly in 1982. From 29,801 tons in 1981 tin production slumped to 26,773 tons in 1982 while silver production dropped by 17.5 percent because only 170 metric tons were produced in 1982 against 206 metric tons in 1981. Antimony did not fare better since only 13,978 metric tons were produced in 1982 against 15,296 metric tons in 1981. Gold output dropped as well from 2,064.4 fine kgs in 1981 to 1,248.7 fine kgs in 1982. [Summary] [PY201843 La Paz PRESENCIA in Spanish 1 May 83 P 11 PY]

**MINERAL EXPORTS**--Bolivia's mineral and metallurgical exports amounted to \$32,924,062 in January 1983, according to the Statistics Bulletin of the Mining and Metallurgy Ministry. Concentrated tin, copper, lead, silver and other minerals are included in the exports. [Summary] [PY201843 La Paz Radio Illimani Network in Spanish 1700 GMT 19 May 83 PY]

**CRUDE OIL PRODUCTION DECLINE**--Between 1980 and 1982 Bolivia's yearly crude and condensate oil production has gradually been declining by 683,000 barrels, as reported by the Economic Statistics Department of the National Statistics Institute (INE). Production in 1980 was 8,704,000 barrels. In 1981, production dropped to 8,091,000 barrels, that is 613,000 barrels less. A larger decline in production occurred in 1982 where 8,021,000 were produced. [Summary] [PY201843 La Paz PRESENCIA in Spanish 3 May 83 p 3 PY]

CSO: 3348/419

## COMMITMENT TO MAINTAIN NEUTRALITY CONFIRMED BY SCHWEITZER

Santiago EL MERCURIO in Spanish 5 May 83 pp A1, A10

[Excerpt] Minister of Foreign Affairs Miguel Schweitzer confirmed yesterday that Great Britain has requested that Chile grant it facilities to communicate with the Falkland Islands from our territory. However, he stated that our country remains neutral in the South Atlantic conflict.

He emphasized that "we have held that both Argentina and Great Britain are friendly countries with whom we have good diplomatic relations. We are trying to maintain and strengthen those good relations, avoiding any actions by our Ministry of Foreign Affairs or our government that might disturb them."

Yesterday the minister of foreign affairs participated in the round of informative conversations organized by the Directorate of Social Communications (DINACOS) and held in the Diego Portales building. The meeting was attended by the national press and foreign correspondents. It consisted of a brief speech by the minister of foreign affairs followed by questions from the press.

During the meeting, the foreign affairs minister made references to the primary objectives of the ministry of foreign affairs, the crisis in the Organization of American States (OAS), the human rights issue in the United Nations, the return of persons in exile, and our country's image abroad.

## Improvement Abroad

Regarding the last point, he stated that Chile's image abroad has improved. "This can be seen by comparing the kind of statements made about Chile abroad," he added, pointing out that he could only comment on the case of Great Britain, where he served as ambassador for 3 years.

The foreign affairs minister was also asked about statements made by the British Minister of State for Foreign Affairs with Latin America, Cranley Onslow, who, before leaving our country last week, indicated that the Chilean authorities had responded favorably to measures England may adopt to defend the Falkland Islands from possible outside aggression.

In this respect he stated that the Chilean Government's position had not changed in the wake of the South Atlantic conflict, and that it would continue to be a position of strict neutrality, favoring the peaceful solution of conflicts.

"Now, if Minister Onslow's statements are an attempt to cause a change in policy, I think those statements are strictly his responsibility. What the minister may understand as a favorable response is something only he can explain," he said.

#### Priorities

"The primary and fundamental goal of the Chilean Ministry of Foreign Affairs has been the maintenance of peace. In this area it has had categorical success," Minister Schweitzer said.

He continued, indicating that our country has demonstrated its fundamental regard for containing violence and the use of force and, in fact, it has always searched energetically for peaceful solutions to conflicts, thus erradicating the "scourge of confrontation and violence among brotherly peoples."

He emphasized, as an important goal that will continue to receive support, the opportunity for each country to develop its own institutions, and to adapt them to individual circumstances and domestic necessities.

At the same time, the minister of foreign affairs stated that the Foreign Affairs Ministry assigns very high priority to steps to develop the Pacific Ocean, since many of our foreign policy activities can be carried out in this area.

12351

CSO: 3348/406

## TEXTILE IMPORTS DECREASE 70 PERCENT DURING JANUARY, FEBRUARY 1983

Santiago EL MERCURIO in Spanish 7 May 83 p B2

[Text] The total physical volume of textile imports decreased 40 percent during the first 2 months of this year, compared to the same period in 1982, falling from 7,663 to 4,635 metric tons, according to Central Bank statistics.

The decrease in physical volume meant a 70-percent decrease in the amount of foreign exchange spent to purchase those products in international markets, reducing expenditures from \$62.2 million in the first 2 months of last year to \$18.7 million during the same period this year.

In its report on foreign trade, this institution noted, however, that during the first 2 months of this year there has been a sharp increase in fiber imports compared to last year (64 percent). During the period under consideration, fiber purchases increased from 1,800 to 2,321 metric tons, an increase that also meant a rise of almost 1 percent in foreign exchange expenditures for the purchase of these products abroad (from \$4.54 million to \$4.58 million).

#### Sharp Decreases

There were significant decreases in the volume of all other textile imports, most notably in articles for domestic use such as carpets and tapestries (-82 percent).

While 970 metric tons of the above-mentioned merchandise were imported between January and February 1982, no more than 179 metric tons were imported during the same period this year. In addition, this decrease meant a sharp reduction in expenditures for these products (-85 percent), from \$5.3 million to \$801,000.

There was a 74 percent decrease in imports of clothing and accessories during the period under consideration, according to Central Bank statistics. These statistics show that import volume fell from 1,588 metric tons in the first 2 months of last year to only 420 metric tons in January and February 1983. Investments in these products were reduced 81 percent (from \$28.6 million to \$5.4 million).

The physical volume of fabric purchased in international markets fell 59 percent between the first 2 months of 1982 and the first 2 months of 1983 (from 2,370 to 968 metric tons). These investments dropped 69 percent (from \$17.6 million to \$5.5 million).

Yarn imports fell from 317 to 213 metric tons, which was a 33 percent decrease in volume. The sum invested in these goods shrank 64 percent, from \$3.1 million to \$1.1 million.

Imports of other textile products fell 14 percent, according to the institution's report. Between the same 2 years, the volume of these imports fell from 618 to 534 metric tons, while expenditures fell from \$2.8 million to \$1.3 million (-53 percent).

#### Cotton Purchases

On the other hand, cotton imports rose sharply (35 percent).

There has also been a considerable increase in the physical volume of cut polyester fiber imports (550 percent), cut acrylic fiber (49 percent), and braided acrylic fiber (155 percent).

"The upturn in these fibers," concludes the foreign trade report, "parallels the recovery in factories that manufacture this type of raw material." It adds that the same can be said regarding fabrics for tires, which, with a 144 percent increase, "reflect the strong drive with which tire manufacturing has started up again after several months at minimal levels."

12351

CSO: 3348/406

## BEAGLE DISPUTE SOLUTION HAMPERED BY GOVERNMENT INACTION

Santiago EL MERCURIO in Spanish 18 May 83 p A3

[Editorial]

[Text] The Argentine Government has continued its deliberately ambiguous debate about its position and policies with respect to the papal mediation. Once again unofficial spokesmen have indicated that a request will be forthcoming to modify His Holiness' proposal of 12 December 1980 in order to guarantee the two-ocean principle, as well as various territorial claims, which are goals of Argentine diplomacy. All of these claims, without doubt, run counter to the Treaty of 1881 and well-established principles of international law.

At the same time, the president of this neighboring country declares that rejection of the papal proposal has never been considered; clarifying this, his special envoy to the mediation explains that the papal formula somehow takes the above-mentioned two-ocean principle into consideration. Then, a journalist with ties to the military publishes what he says is the Argentine response to the mediator's proposals; that is, they are to be totally disregarded in order to insist on the two-ocean principle and on sovereignty over the Beagle Islands.

Meanwhile, the political parties have been increasing their demands for a rapid solution to this conflict. Significantly, former foreign ministers Oscar Camilion and Nicanor Costa Mendez, who bear more than a little responsibility for the erratic diplomatic tack taken by Argentina on this matter, have added their voices to these demands.

It is all too clear that the military government wishes to escape the responsibility of taking a definite stand, not only to avoid criticism by a future constitutional government, but also possibly to keep a political card up the armed forces sleeve, to be played later when the elected authorities have to resolve the pending conflict. The political parties, for their part, do not want to inherit a problem they did not cause, and they fear that prolongation of this dispute could become a pretext for postponing the transition schedule.

Whatever the domestic reasons for the Argentine Government's behavior, it can be said with certainty that the Chilean public is tired of delaying tactics that can only lead to increased tensions between the two countries and that make it impossible for cooperation to develop across our common borders.

On various occasions, these pages have expressed the need to consider the alternatives that could lead to a definitive solution to this problem. If the Argentine Government continues to hinder mediation, the mediator might abandon his efforts, thus opening the way for the International Court of Justice, pursuant to the recently extended Treaty of 1972.

Rumors of preparations for war have resounded once again in Chilean and Argentine ears, and even when these rumors have been denied, they certainly do not augur well for understanding and cooperation. As long as mediation efforts remain paralyzed, the preservation of peace will be threatened. Rejection of the papal proposal is in itself an ominous sign.

12351

CSO: 3348/406



## DEMOCRATIC RESPONSE TO CARIBBEAN BASIN PLAN CRITICIZED

San Salvador DIARIO LATINO in Spanish 26 Apr 83 p 6

/Commentary by Guillermo Zalamea/

/Text/ In recent decades the Democratic party in the United States has presented itself to Latin America as the standard bearer of claims of the nations south of the Rio Grande. That is why our continent has always supported the Democrats, who have perpetually seen themselves as the salvation of those developing countries whenever the presidency and the congress have been in their hands.

But it seems all that was a farce. As clear evidence of this, we offer the case of President Ronald Reagan's Caribbean Basin Initiative, which Congress has torpedoed.

As is known publically, Reagan's Caribbean Basin Initiative, in short, includes first, almost \$400 million in aid and second, authorization for the duty-free import of Caribbean products to the United States.

Now, then. Realistically speaking, \$400 million for about 15 countries is a mere trifle, if we consider the serious economic difficulties most of these countries are facing. But the plan is well-intentioned, which is better than nothing, as the saying goes.

The second stage, as we were saying, includes the duty-free import of a large quantity of these countries' products to the United States. It should be made clear that most of these products are agricultural, with some exceptions.

And thus fell Troy. In its last special session, Congress stubbornly opposed this second stage and thus hampered approval of the entire program.

We sincerely believe that this absurd position has done terrible damage not only to the United States, but also to all the Caribbean nations, by plunging them into further desperation and pessimism regarding a more promising future.

Worst of all, the new Congress, which just went into session last Monday, has not taken any positive position that could give us cause for optimism.

We must keep in mind that the United States, however weak its economy may be, is above all the leader of the Western nations and particularly, of our America, English- or Spanish- speaking. This position of leadership carries with it responsibilities, and in this case, a duty to help its American brothers. This collaboration is, sooner or later, going to benefit the United States itself.

It is ridiculous to say that the United States cannot make even a minimal sacrifice to help this group of nations. Furthermore, it is suicide. Let us see why.

Take the case of Jamaica, for instance. After Manley's disastrous government, the Jamaican people elected Seaga by popular vote. Seaga is a pro-Western statesman who has tried, within a framework of democracy and free trade, to rescue his nation from the calamitous state of poverty in which it was left by Manley. But Mr Seaga cannot work miracles, nor can he improve his nation's lot without economic aid from the United States.

Up to now Seaga's only achievement, apart from the unrestricted freedom enjoyed by Jamaicans, is an upswing in tourism and some investment in that area. However, unfortunately as always, we undersant from cables we receive from that country that the opposition (read Manley) is gaining ground because of the current economic crisis. Seaga has not been able to overcome the crisis, we repeat, because he is neither a magician nor much less a sleight-of-hand artist who can pull out of a hat the millions of dollars needed for his country's superstructure.

It should also be recognized that Seaga has successfully improved the balance of payments and increased foreign exchange reserves over the last 9 months of last year.

In addition to Jamaica, we might also mention Dominica, the Dominican Republic, the countries of Central America, etc., etc.

Where, we wonder, is the Democratic party's solidarity with the claims of the American nations? The strong opponents of Reagan's Caribbean Basin Initiative were mostly Democratic congressmen. Even the president of the AFL-CIO, also a Democrat, demonstrated total antagonism toward the program, stating in public that it would damage the interests of American working people.

This last AFL-CIO statement is an error, not to say a farce. Logic tells us that if there were an economic recovery in the Caribbean, the United States would benefit in at least two ways: a) the people of the Caribbean would improve their standard of living and naturally, increase their purchasing power as well, which in turn would lead to greater imports of American products; b) legal and illegal immigration of citizens of those countries to the United States would decrease considerably, because where there is economic well-being, people do not emigrate, except for reasons of political persecution, as was the case with Cuba. Without immigration, there would be more work opportunities for Americans.

As part of a valid analysis, we have not failed to think about or consider the existence of a remote possibility; might not some Democratic leaders wish the currently troubled Caribbean to become even more of an economic disaster area, to the benefit of some extra-continental power?

We insist that today there are Caribbean governments and people who are friends of the United States and who must receive help. To waste this opportunity would be a stupid act of self-immolation. Assistance, support and cooperation must no longer be delayed. The American Congress has the last word.

12351

CSO: 3248/817

## RESTRICTIONS LIFTED ; TRADE RESUMED WITH GUATEMALA

San Salvador LA PRENSA GRAFICA in Spanish 14 May 83 p 34

[Excerpt] The El Salvador-Guatemala border was opened in both directions at 0000 hours today, pursuant to a formal agreement signed last night by top officials of the Ministries of Economy and Central Reserve Banks of both nations.

This information was released last night by our country's minister and deputy minister of economy, Dr Manuel Pacas and Ricardo Alvarenga Valdivieso, respectively.

"All existing trade restrictions between our country and Guatemala have been lifted and delegates of the Central Bank of Guatemala have already been assigned to all the border posts to assure two-way trade. Our customs authorities have also been informed of the agreements reached at the meeting we held with the minister of Guatemala in our country," Dr Pacas said.

"Las Chinamas is the most backlogged customs post with an enormous amount of merchandise which could not be sent to the sister republic," he said, "Followed in decreasing order of backlogging by the border posts of San Cristobal, Hachadura and Anguiatu."

"Other merchandise has been sent via the intercustoms system to the ground customs office; however, that problem will also be resolved today," the official said.

The resolutions resulting from the joint meeting of the ministers of economy and the presidents of the Central Banks of El Salvador and Guatemala, which were released last night, are as follows:

"The agreements reached by the ministers of economy and the presidents of the Central Banks are summarized as follows:

"1. The conferees confirmed that all goods originating and manufactured in both countries, which pursuant to the General Treaty on Central American Economic Integration may be freely traded, will continue to be subject to the same system and payment for goods will be made in foreign currency at the official exchange rate, processed through the Central American Clearing-house.

"2. All goods incorporated in annex No 2 and by addenda approved by the El Salvador Monetary Board on 28 October 1982 and 18 February 1983, respectively, are excluded. Imports of such goods will be paid for solely through the banking system or Central Banks of each country, in accordance with the mechanism agreed to by these banks but in no event may the payments be made directly between importer and exporter.

"3. The Central Banks of both countries will submit the following provisos to their respective Monetary Boards for approval: a. That current balances held by the Central Reserve Bank of El Salvador on behalf of the Bank of Guatemala will be renegotiated on reasonable bases; b. That payments resulting from the trade between both countries will be handled through the Central American Clearinghouse, in the following manner: 40 percent of the sums processed by this Clearinghouse will be made immediately in U.S. dollars and 60 percent will be made in accordance with a financial plan whose provisions will be agreed to 'ad referendum' by the presidents of both Central Banks, to which end El Salvador suggests that this financial plan be drawn up in the currency of the creditor country.

"4. The respective import licenses or invoices will be submitted within a time frame not to exceed 3 business days.

"5. The small merchant will not be subject to the import license or invoice requirements, provided the worth of his merchandise is not in excess of CA \$100.00.

"6. Beginning 14 May 1983, officials of the Central Banks of both countries will visit each of the border customs posts to approve licenses or invoices for merchandise present in these customs posts.

"7. The ministers of economy, with a view to increasing trade and passenger traffic, will take action with the appropriate authorities."

8143

CSO: 3248/828

## ARGENTINE CREDIT INDICATES INCREASED FUTURE TIES

San Salvador EL TIEMPO in Spanish 18 May 83 p 8

[Text] The Central Reserve Bank reports that imports for Salvadoran industry are being financed by means of a line of credit negotiated with Argentina and that an excess of \$13 million of the credit line has been used from 1981 to the present.

Negotiations between both governments were carried out by their respective Central Banks.

The Department of Public Relations of the Central Reserve Bank states that the sum of money cited covers almost the totality of the \$15 million line of credit; however, because of the revolving character of the credit line, it will be possible to make greater utilization of it.

The Department of Public Relations adds that the country's import sector is making sufficient use of this credit line which is benefiting the Salvadoran economy in merchandise categories considered priority for our productive activities. These merchandise categories are: a. machinery, raw materials, spare parts and other production goods for the industrial and agricultural sectors; b. basic foods for the populace; and c. surgical equipment, medicines and other goods related to human health.

The terms of the agreement were conceived in a manner preferential to the country, in view of the fact that it was negotiated with account taken of the exceptional circumstances being experienced by the national economy as regards the availability of foreign exchange.

Finally, the Central Reserve Bank states: "This information responds to the prevailing desire of sectors associated with the foreign trade of both countries to step up their commercial interchange. It also coincides with the visit being made by an Argentine trade mission with a view to further strengthen that country's trade with El Salvador, with respect to which concrete steps were taken recently to establish a maritime connection, since Argentine ships will be stopping at our port in Acajutla. Moreover, studies are being made of the possibility of an air connection."



## ANEP SUPPORTS GUAYAQUIL CHAMBER OF COMMERCE IN FREE TRADE

San Salvador DIARIO LATINO in Spanish 2 May 83 pp 3, 14

[Text] The ANEP [National Association of Private Enterprise] gives its full moral support to the Guayaquil Chamber of Commerce in its struggle in defense of the free-enterprise system in view of the action of the Christian Democrat government and its measures that constantly restrict the activities of free enterprise.

Jorge Bejarano Orrantia, president of the Guayaquil chamber, has addressed the AICO [Ibero-American Association of Chambers of Commerce], with headquarters in Bogota, Colombia, seeking to make known the difficult situation being faced by free-enterprise sectors in Ecuador due to the lack of political support for them by the government.

In a message directed to the permanent executive secretary of the AICO, the Guayaquil Chamber of Commerce indicates the critical situation that has forced it to take "a very firm attitude in view of the measures taken by the government of the Christian Democrats, particularly the recent measures of an economic nature that are aggravating the disastrous handling of the country's economy in the last 2 years."

The Guayaquil chamber also reports that a 24-hour strike was organized last 14 March in all of the country's customhouses "to protest a new law of economic regulation that created new taxes on imports."

Later, on the 23rd and 24th of the same month, a total cessation of activities at the national level of the commercial sector was decreed. The action had the total support of the merchants and was backed by the National Federation of Chambers of Commerce.

The cable states that "the entire country is paralyzed, since other production chambers have joined our action and the said measure coincides with a general strike of workers." It adds that this protest is due to the most recent monetary devaluation on 19 March, all of that without putting into action a complementary stabilization plan so that the country's productive apparatus can function properly.



The Guayaquil merchants are asking themselves how they could increase their exports if production does not increase first.

The cable continues: "We believe that this government is gradually destroying the business sector, and free enterprise and respect for free enterprise is constantly being diminished. Therefore, we are asking for your institutional support, which is necessary to demonstrate that we in Latin American private enterprise, and especially in commerce are united in defense of our ideals."

For the preceding reasons, the ANEP gives its full support and solidarity to Ecuadorean businessmen. At the same time, it hopes that the authorities in that South American country will abandon their intentions to continue to apply a policy that takes away the incentive for the activities of free enterprise and that in the long run can lead to a disastrous situation for the Ecuadorean people.

San Salvador, 29 April 1983.

9746

CSO: 3248/788

## THREE PERCENT SALES TAX PASSES FOR REMAINDER OF YEAR

San Salvador LA PRENSA GRAFICA in Spanish 20 May 83 p 44

[Text] An Emergency Tax Law, which calls for a 3 percent increase in the sales tax on goods and services, to which reference is made in paragraph 32, Article 13, of the Document Seals and Stamps Law, was approved by the Constituent Assembly yesterday.

The bill presented by the president of the republic after it had been subjected to thorough analysis by the Assembly's Special Budgetary Finance Committee received 19 abstentions in the plenary session's vote approving the measure favored by the Committee. The abstentions were attributed to the political parties ARENA [National Republican Alliance] and PPS [Salvadoran Popular Party].

The Law was approved by 37 votes, representing the deputies of the Christian Democratic Party, Salvadoran Authentic Institutional Party, National Conciliation Party and Democratic Action Party.

The Finance Committee's report states that the country's economic and financial situation is difficult and that the budgetary deficit for this year is in excess of 600 million colones. This deficit cannot be covered except through foreign loans and increased taxes, the report says.

The need for correcting the fiscal deficit by measures that will not produce extreme pressures that could lead to a devaluation of our money, the report adds, also rules out domestic indebtedness and the inorganic issuance of money; what is more, El Salvador's position, as the object of international credit, requires a financial program which generates foreign credibility in the public and private financial institutions, with a view to obtaining the financing needed for government programs at a time of serious crisis that is being felt at all levels of life in the republic, the Finance Committee's report says on this subject.

The decree by means of which the Emergency Tax Law is established reads as follows:

"The Constituent Assembly of the Republic of El Salvador considering:

"I. That public taxes have experienced a considerable decrease caused principally by a drop in the value of exports and a decline in imports, limiting the possibilities of adjustments to the fiscal situation which has created a difficult financial position for the central government.

"II. That as the result of the conditions cited in the foregoing paragraph fiscal deficits have been created at levels which are impacting negatively on the country's economy; therefore, it is necessary to adopt measures to increase public tax receipts.

"In consideration whereof, pursuant to its legislative authority and at the initiative of the president of the republic, through the Minister of Finance, after receipt of prior opinions from the vice presidents of the republic the Assembly decrees:

"Art. 1--The tax on sales of the goods and services specified in paragraph 32, Article 13, of the Document Seals and Stamps Law, is increased 3 percent.

"The increase referred to in the preceding paragraph will be only 2 percent on sales of raw materials, [processed] materials, packaged goods and those used in industrial production.

"Art. 2--The Ministry of Finance will issue such regulations and instructions as may be required for implementation of the provisions of this Decree.

"Art. 3--This Decree will become effective on the day of its publication in the official Journal and will remain in force until 31 December."

8143

CSO: 3248/828

## BCR MAKES CREDIT AVAILABLE FOR INDUSTRIAL RECOVERY

San Salvador DIARIO LATINO in Spanish 13 Apr 83 p 2

[Text] Enterprises manufacturing goods for exports have used as much as about 25 million colons in credits from the Industrial Recovery Fund (FRI), set up by the Central Reserve Bank [BCR] with financial aid from the Inter-American Development Bank (IDB).

This was reported today in a communique issued by the BCR's public Relations Office.

The document also reports that several enterprises have already qualified as eligible to use the fund's resources which amount to a total of 125 million colons.

It also states that by setting up this fund, the Central Bank is addressing the need for working capital and fixed assets of previously qualified manufacturing enterprises.

The credits will be given through commercial and mortgage banks and they offer the following features:

- 1) They guarantee the means of securing the foreign exchange required to purchase raw materials, semi-processed goods, packing materials, parts, replacement parts, machinery, light equipment and replacement equipment.
- 2) The resources of the FRI are only made available to enterprises manufacturing export goods and, therefore, to be entitled to these funds the enterprises must qualify as being eligible. To do so, the basic requirement is that the exports of nontraditional goods from the manufacturing enterprises must amount, or expect to amount, to more than 10 percent of their yearly sales.
- 3) To enable the FRI to operate on a permanent basis, the users of these resources must sell the foreign exchange which they received in payment for their exports to the Central Bank at the current official rate of exchange and in an amount equivalent to what they received from the fund to pay for their imports. When the value of the exports is higher than the credit received, the enterprises can keep the balance.

The above information release by the Central Bank mentions that people can obtain further information on the subject from the commercial and mortgage banks.

8796

CSO. 3248/801

## BCR AUTHORIZES FUNDS FOR FERTILIZERS, PESTICIDES

San Salvador LA PRENSA GRAFICA in Spanish 7 May 83 pp 9, 94

[Text] A spokesman for the Central Reserve Bank [BCR] has said that through their coordinated effort the BCR, the Agricultural-Livestock Development Bank and importers of fertilizers and pesticides have successfully negotiated the import of these agricultural production items for the 1983-1984 crop.

As regards fertilizers, he added, the BCR has authorized 62.5 million colons, equivalent to \$27 million, to import 155,000 metric tons of "simple" fertilizers and 100,000 tons of "mixed" ones.

The spokesman said that a deal was also made to import pesticides to protect basic grains, sugarcane, vegetables and other products—cotton excluded—worth a total of 25 million colons equivalent to \$10 million. In addition to the pesticides, the deal includes agricultural machinery, certified seeds, equipment and other production items for grain farming.

He said that cooperation between the public agencies and the importers had made it possible to negotiate the import of these agricultural production items under very good price conditions and, as a result, the Central Banks hopes that this advantage will be passed on to the users, more particularly to small and medium-size farmers, as well as to the consumers of farm products.

As regards imports of pesticides for the cotton-growing sector, the spokesman said that the BCR has already held a first meeting with the MAG [Ministry of Agriculture and Livestock], with the Cotton Cooperative and with private importers to seek the best way of arranging for the import of these production items.

"It is hoped that as of next week it will be possible to make available the foreign exchange needed to import pesticides for the 1983-1984 cotton crop, under equally favorable price conditions so that cotton growers have enough supplies of these products at the right time," the spokesman concluded.

8796

CSO: 3248/801

## FOUNDATION FOR ECONOMIC DEVELOPMENT ESTABLISHED

San Salvador DIARIO LATINO in Spanish 29 Apr 83 pp 2, 17

/Text/ As another private sector initiative, the Salvadoran Foundation for Economic and Social Development was established last night at the Camino Real Hotel.

The documents establishing the foundation were signed by more than 100 highly respected businessmen, executives and professionals who intend to work energetically to achieve their main objective. Their objective is to carry out a series of activities that will foster the social, economic, physical and intellectual well-being and security of the Salvadoran people.

The above-mentioned objective is to be accomplished within a context of individual and economic freedom.

The foundation is a non-profit organization established using personal contributions by the founders. Later, the organization's activities will be financed with donations from individuals, businesses and institutions that share its principles and objectives and who wish to collaborate in the implementation of its programs.

In addition to its main objective, the foundation outlined another goal involving a broad range of activities, among which the following were mentioned: first, to analyze the social and economic situation of the country systematically and periodically; second, to formulate specific programs and promote their implementation in order to help solve Salvadoran problems of social and economic development; third, to promote the development of the free trade system in the country by publicizing its principles and foundations; fourth, to promote the investment of Salvadoran and foreign capital in the agricultural, industrial and service sectors; fifth, to promote improvement of El Salvador's relations with other Central American countries and other countries of the world, thus attempting to improve El Salvador's image in those countries; sixth, to offer advisory services to public and private sector organizations.

Furthermore, it was said that the new organization's priorities include: carrying out an analysis of the country's financial sector; carrying out an analysis of the country's economic situation and defining strategies for recovery; promoting the use of agrarian reform bonds in that economic recovery; and using to maximum advantage the aid from President Reagan's Central America and Caribbean Basin Initiative.



## OIRSA ISSUES SUMMARY REPORT ON AFRICAN BEE THREAT

San Salvador DIARIO LATINO in Spanish 29 Apr 83 p 16

[Excerpt] Forecast

As was said, it is possible that in the second half of 1984 the African bee will enter the Republic of El Salvador, principally through the sector of the departments of San Miguel and La Union, and that it will be dispersed throughout the country, with the consequent initial problem for El Salvador's beekeepers.

Importance of Apiculture in El Salvador

The Republic of El Salvador has approximately 130,000 beehives, from which an average of 5.5 million kg of honey is extracted annually with a value of 13 million colons, not counting the value of the wax, pollen and royal jelly, as well as its invaluable function of pollinating the crops.

Of the 130,000 beehives, it is considered that some 80,000 have been modernized or at least are in boxes with movable frames. The remaining 50,000 are completely rustic and could disappear with the invasion of the African bee. Even the more sophisticated beehives would have to be located in isolated places to avoid accidents with people and animals.

Possible Economic Impact of the African Bee in the Republic of El Salvador

The African bee has caused problems in the various countries where it has appeared, for example in Venezuela, where production from beekeeping has fallen 50 percent and many apiarists have destroyed or abandoned their hives. Nevertheless, countries like Brazil have had a notable improvement in production from beekeeping, as is evident from the following information:

During the period 1952 to 1955, annual production of honey in Brazil was 5,500 tons; from 1955 to 1976, which is the period covering the escape of 26 specimens of the African bee with their cross-breeding, reproduction and dispersion, annual honey production was 7,500 tons. It was 10,000 tons in 1977 and some 13,000 tons in 1980.

It is thought that the beekeeping industry in El Salvador should experience a change in its way of operation in the coming years and that it will therefore



be necessary to inform and train the Salvadoran beekeeper for a different operation with basic technology that is isolated from people and animals, if one wants to coexist with the African bee, and that will permit one to make use of the advantages of this bee.

The country's eastern zone (Morazan, San Miguel, Usulután and La Unión), whose beekeeping industry is 80 percent rustic, would be seriously affected and it is precisely through the eastern departments of San Miguel and La Unión where it is expected that the bee will make its appearance in El Salvador, coming from Honduras or Nicaragua.

The central zone (Chalatenango, La Libertad, San Salvador and Cuscatlán) and the zone encompassing Cabanas, San Vicente and La Paz would also be affected because their beekeeping industry is 50 percent rustic.

Nevertheless, the western zone (Ahuachapán, Santa Ana and Sonsonate) may be affected to a lesser degree in view of the fact that its apiculture is 95 percent technically developed.

In any case, both rustic apiculture and that with technology will probably suffer some immediate changes and in this respect the Salvadoran Ministry of Agriculture and Livestock and international organizations such as the OIRSA [Regional International Organization for Agricultural-Livestock Health] are called upon to contribute with that technological improvement of apiculture that could mean an increase of at least 100 percent in El Salvador's honey production, that is, from the 5,000 tons now produced to more than 10,000 tons within a short period.

9746

CSO: 3248/788

## MAGISTRATES DEMAND RIGHT TO WORK OUTSIDE OFFICIAL DUTIES

San Salvador DIARIO LATINO in Spanish 4 May 83 p 2

[Article: "Magistrates and Judges Receive Inadequate Salaries"]

/Text/ A group of judges and magistrates throughout the country yesterday /3 May/ appeared before the Constituent Assembly to ask for stability in their duties, to ask for an economically dignified salary, and to request that they be permitted to hold jobs on the side, from which they can obtain additional income.

The officials of the judiciary made this presentation to the committee preparing the draft constitution, since in the new constitution it is provided that these officials cannot hold jobs on the side but must dedicate themselves exclusively to their work in the court system.

The officials said that judges and magistrates are receiving salaries below the poverty line which are not appropriate for the high position which they presumably hold. Their positions are generally well-paid in democratic countries.

They said further that it is time to put an end to all of the abuses which are committed against officials of the judiciary, such as subjecting them to political obligations imposed by the various parties.

Dr Mario Samayoa, a magistrate of the Court of Labor Affairs of San Salvador, said that there would never be independence for the judiciary as long as political figures can influence them and force them to act in accordance with the views of such political figures.

They said that the judiciary officials are affected by problems like those noted above, and this lack of dignity and of impartial behavior is a matter of mockery in international forums. Then they went on to say that the Salvadoran judicial system is obsolete, disorganized, unjust, and in need of reform. Nevertheless, the session concluded by demanding that judicial officials be permitted to continue holding jobs on the side, in order to obtain a higher income and thus be able to live more appropriately and in a decent way.

## SCIS PROPOSES THREE NATION FRONT TO PROTECT SMALL BUSINESS

San Salvador EL MUNDO in Spanish 18 May 83 p 8

/Text/ The Salvadoran Society of Businessmen and Industrialists (SCIS) has proposed that Guatemala, El Salvador, and Honduras form a common front to defend the interests of small and medium-size business firms at the regional level.

In connection with this proposal the business group has issued the following press statement:

"Form a common front to defend small and medium-size business and, in general, all productive sectors of the area. This has been proposed by the Salvadoran Society of Businessmen and Industrialists (SCIS). At its last meeting the Executive Council of the society agreed to make the foregoing recommendation, in view of the most recent problems which have arisen between El Salvador and Guatemala, regarding the free practice of business. This situation is well-known to the public.

"If we isolate ourselves as economic communities, we face disaster. It would be appropriate for our countries to unite to identify common interests, develop a single philosophy for development through an understanding between all parties concerned, seek the elimination of obstacles which slow the process of economic integration, and finally establish a basis for the development of a Central American spirit through the achievement of mutual understanding.

"A free enterprise common front involving Guatemala, El Salvador, and Honduras would be encouraging at this time of crisis and would set a pattern for the governments to follow in respecting the treaties leading toward integration and strengthening them, of course. We wish to refer to this idea in specific terms. Last weekend the monetary authorities of El Salvador and Guatemala resolved the problem which had arisen between our two countries in the commercial and industrial field.

"The Salvadoran Society of Businessmen and Industrialists, as the genuine representative of small and medium-size business firms in El Salvador, is pleased to note that the negotiations between the two sides came to a happy ending and hopes that this agreement will be long-lasting and broad in scope, to the benefit of the people of El Salvador as well as Guatemala.

"At the same time we support the position taken by the Chambers of Industry and Commerce of Guatemala, which came out in favor of the immediate re-establishment of free trade in products originating and produced in both countries. This is in accordance with the desires of the SCIS in this sense."

5170

CSO: 3248/831

## PR PROVISIONAL DIRECTIVE OPPOSES NAPOLEON ALFARO

Guatemala City PRENSA LIBRE in Spanish 4 May 83 pp 4, 54

[Text] Another provisional governing board of PR [Revolutionary Party] surfaced yesterday which is opposed to the one headed by Napoleon Alfaro. They say it is a question of "the legitimate representative group of the party," which has the approval of its national council.

The board is composed of Manuel Angel Valdez, secretary general; Francisco Villamar Contreras, of the PR old guard, who holds the post of secretary of the organization; Edgar Menendez Tobar is the secretary for legal matters; Carlos Hall Lloreda, secretary for cooperative matters; Pedro Adolfo Castillo, and others.

The secretary general, Ponce Valdez, said in a press conference held in a residential section of Zone 2, that the national council of PR, meeting in special session attended by the majority of the members, elected the board described above, and refused to recognize the one headed by Napoleon Alfaro.

Ponce declared that "Alfaro and his friends do not have the approval of the national council of PR, since they put themselves on a governing board in a capricious and arbitrary manner."

Alfaro did not act in accordance with the legal rules of the new political parties' law, nor with the by-laws of PR.

For their part, Romeo Mendez Galicia stated that the PR reserves the possibility of presenting an appeal, in case it is necessary, to avoid having Alfaro recognized as secretary general of the party.

He made it clear that Alfaro probably does not have problems now, but the Supreme Electoral Tribunal which will shortly begin to function will advise which group has fulfilled the legal requirements.

The former deputy Rene Urrea, Manuel Angel Ponce, Oscar Loy, Colonels Benigno Alvarez, and Luis Alonso were also at the meeting as well as others who are said to be members of the revolutionary old guard.

9678

CSO: 3248/768

## MINISTER OF INTERIOR TRAVELS TO MEXICO TO CONFER WITH REFUGEES

Guatemala City PRENSA LIBRE in Spanish 4 May 83 pp 4, 54

[Text] The minister of the interior, Colonel Ricardo Mendez Ruiz, stated yesterday in a press conference that "the assassins hired in Honduras to kill President Rios Montt, first want to try their marksmanship on an important official."

He said that one of three hirelings returned to Tegucigalpa to be disciplined. The other two, the Nicaraguan and a Honduran, are still in the country, and want to find out if they are good, killing a high official.

Minister Mendez Ruiz told journalists that he still cannot reveal the name of the political group interested in assassinating the president of the republic.

He emphasized that the intelligence sector of the police are following the track in the search for the assassins, and is almost certain that they will soon be captured.

## Next Visit to Mexico

The titular head of government stated that he will travel to Mexico soon to invite Guatemalan exiles to return home.

The result of the visit to Costa Rica was positive as various nationals have already shown their desire to return to Guatemala and if they wish they can organize themselves in a committee on behalf of a political party.

The foreign office has given instructions to the Guatemalan consulates to document their countrymen who live there and they can return without problems.

Exile is very hard and therefore the government gives them the opportunity to return to their country so that they come back to collaborate in the solution of the problems which we have.

With regard to his visit to Mexico, he indicated that he will not go to the frontier where there are more than 50,000 national refugees. He said, "I will arrive at the Federal District, where I will exchange impressions with intellectuals and other exiles who live in the Mexican capital."

Also, he will hold a press conference to make known fully the importance of the amnesty, as well as the political opening which President Rios Montt has put into effect.



## INTECAP WORKS TO RESOLVE PRESENT SOCIO-ECONOMIC CRISIS

Guatemala City DIARIO DE CENTRO AMERICA in Spanish 5 May 83 p 5

[Article by Saul David Oliva]

/Text/ The Technical Institute for Training and Productivity /INTECO/, through its "Guatemala I" Training Center and all of its related institutions throughout the country, is at work with special emphasis on the so-called "Zone of Conflict" (already calmed down and with its residents dedicated to peaceful work), which composes the departments of the Western plateau of the country. It is engaged in promoting and developing the technical instruction of qualified workers at different levels. Through its graduates it contributes effectively to resolving the social, economic, and political crisis facing the country.

Architect Jorge A Gonzalez Penate, chief of Regional Division I of INTECAP, made the foregoing statement during a visit made by journalists to the Training Center. This visit, our informant added, makes it necessary to recognize properly the joint effort being carried on to lead the workers, in a correct and nationalistic way, providing substantial help to the development plans of the government of Gen Efraim Rios Montt. This effort is meeting the needs of the private business sector and partly satisfies the social demands of the Guatemalan people for job training, while respecting the socio-economic requirements of the nation in terms of technical education.

The center covers the departments of Guatemala, Sacatepequez, and Chimaltenango, which make up the most heavily populated area of the country. Two-thirds of this area is urban in character.

In terms of the active labor force the central region of the country has 28 percent of the total for the nation, which reflects the importance which this region has for the integral and sustained development of the national economy. The capacity of the installed plant and the productive apparatus in general in the central region is reflected by the fact that there are 82,000 production and service companies in the area.



A realistic conclusion would indicate that our country has a high concentration of productive capacity in the central region, and this makes it necessary to ensure that the efforts made to meet the needs of this area are especially significant within the possibilities of INTECAP,

The "Guatemala I" Training Center is located on a piece of ground of 24,000 square meters, of which 3,000 square meters are covered by the buildings, which have seven shops, lecture halls, and administrative offices to take care of the skills of carpentry, brick-laying, electricity, plumbing, baking, electro-mechanics, industrial manufacture of clothing, automotive repair and maintenance, radio, and television (electronics).

Architect Jorge A Gonzalez concluded his statement by adding that the head office of the regional division and the personnel of the "Guatemala I" Training Center are particularly pleased to reaffirm the unwavering commitment made by the government headed by Gen Efraín Ríos Montt, the private sector, and the workers to increase to the maximum extent their efforts to push forward the programs of the Technical Institute for Training and Productivity.

#### Socioeconomic Development

The activity of the Technical Institute for Training and Productivity (INTECAP) is aimed at socioeconomic development in the agricultural and animal husbandry, industrial, commercial, and services sectors, in the priority areas of effort, in accordance with national development plans.

This activity is also aimed at training workers already employed by business-firms; training the unemployed and handicapped, so that by qualifying in specific trades or specialties, they will be able to obtain existing or future jobs; and training groups of young persons approaching working age, so that they can be included in the working force.

The training activity is going forward at three occupational levels: ordinary worker, middle-level craftsman, and supervisory worker, seeing to their needs in accordance with the traditional workers' pyramid.

#### Principal Services Provided by INTECAP

Among the principal services provided by INTECAP in terms of professional training are the following: teaching urban and rural workers, complete technical assistance for the establishment of small and medium-sized businesses, occupational training in remote areas, training provided in mobile centers and programs, youth apprenticeship, professional certification of workers, short technological courses, and on the job training and middle level executive programs.

#### New Executive Council Takes Office

Recently, President Efraín Ríos Montt announced the following appointments to the Executive Council of INTECAP:

In the private sector the Coordinating Committee of the Agricultural, Commercial, Industrial, and Financial Associations named; Col Arturo Guirola Batres, principal director, and Dr Ladislao Feldmar Van-der-Sande, deputy director. For the Chamber of Industry, Dr Carlos Enrique Rivera Ortiz, principal director, and Ricardo Castillo Sinibaldi, deputy director. For the Chamber of Commerce of Guatemala, Guillermo Rosales Gargollo, principal director. For the General Association of Farmers, Arturo Gandara Melville, principal director, and Andres Sobalvarro, deputy director. For the Chamber of Agriculture, Amilcar Gil de Paz, principal director, and Dr Guillermo Fernandez Lopez, deputy director. For the Association of Bankers and the Association of Insurance Institutions, Dr Carlos Humberto Alpirez Perez, principal director, and Carlos Talavera Klingenfuss, deputy director.

For the labor sector the following persons were appointed principal directors: Enrique Eugenio Bremermann Lopez, Professor Raul Ralon Afre, and Buenaventura de Jesus Cajas Paz. Carlos Ovalle Najera and Professor Randolpho Rojas were appointed deputy directors.

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## BRIEFS

**ANTONIOTTI NAMED SECRETARY**--The MLN [National Liberation Party] recently made two important changes in its governing board, within their new organizational policy according to a bulletin sent yesterday to our editorial staff. The MLN member, Rudy Fuentes Sandoval, now holds the post of electoral advisor, while the publicist, Alberto Antoniotti, was named secretary of the party's public relations and publicity, a post which was occupied by Fuentes Sandoval. In the same communique, the MLN insists on pursuing what was brought before the government last week, that is, that the latter clarify who and where are those responsible for election fraud, and what means have been taken to counteract it. They are also inquiring about who and where are those responsible for the ransacking of the nation's vaults and the legal actions which the government has undertaken to counteract it. [Text] [Guatemala City PRENSA LIBRE in Spanish 4 May 83 p 4] 9678

**ANOTHER SUBVERSIVE SURRENDERS**--Another subversive collaborator surrendered to authorities of the tactical group of the mobile military police, explaining that he had been deceived by the secret organization, a situation which caused him to abandon it, in order to take advantage of the amnesty decree further extended by the government of General Efraim Rios Montt. This person, whose name could not be obtained, arrived on the 2nd of the month at the office of the tactical group, where he was received and after drawing up and executing an affidavit for him, he was released to return to his home. [Text] [Guatemala City PRENSA LIBRE in Spanish 4 May 83 p 6] 9678

**CAPITAL IN IBRD INCREASED**--Guatemala increased its selective capital in the International Bank for Reconstruction and Development (IBRD) through the subscription of 484 shares, each with a face value of 100,000 dollars (quetzals). At a recent meeting of the IBRD board of directors, selective increases in capital were authorized. Guatemala's increase in shares represent an investment of Q58,387,340. The Monetary Board favored this increase in a 17 March 1983 resolution. The Banco de Guatemala was authorized to undertake its commitments and to make respective payments at its convenience. [Text] [Guatemala City EL IMPARCIAL in Spanish 16 May 83 pp 1, 10] 8255

COFFEE, RUBBER FOR ARGENTINE MARKET--The minister of economy announced this morning that coffee and rubber are the two products that Guatemala will export to Argentina, while we will receive from that country capital goods, transfer of technology, fumigation planes, etc. The information was made available after a visit by an Argentine trade mission, consisting of businessmen from the private sector of that South American country who are interested in making immediate contacts with their counterparts in the country in order to strengthen the incipient relationship that currently exists. This mission met with Minister Julio Matheu Duchey and will later meet with members of the chambers of industry and commerce, with GUATEXPRO AND UNECPA authorities and will give consideration to the fact that the Argentine Maritime Line, which can touch at the Pacific port each month on its route to California is interested in coming to a Guatemalan port to deliver and take away a variety of merchandise. This same line has already begun to make contact with Guatemala, it was said, having recently taken a cargo of sugar bound for Peru. The possibility is opening up of reaching the big Argentine market, it was said, which could also supply us with soft wheat, which we do not produce for ecological reasons, and which Argentina does produce. [Text] [Guatemala City  
EL IMPARCIAL in Spanish 16 May 83 pp 1, 10] 8255

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**June 24, 1983**